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Our Commercial Situation

By GEHEIMRAT DR. F. H. WITTHOEFFT

President, Hamburg Chamber of Commerce

JUST at the time when the great European war broke out German commerce had reached a stage of wonderful development. Even in the remotest parts of the inhabited globe, traces of German trade and industry could be found. For centuries Germany had been the battlefield of Europe and in the midst of war and strifes industrial and commercial prosperity could not be attained. After termination of the great Napoleonic wars the German people could in all tranquillity devote itself to the reconstruction of its national wealth. At the outset the agricultural resources had to serve as the solid foundation on which industry and trade could gradually and successfully be developed. The population of the German Empire, in its frontiers of 1871, rose from 24 millions in 1815 to 67 millions a hundred years later, not through immigration but only through natural increase. Although the results of agriculture were raised to the highest possible output, it would have been impossible to find food and clothing for the teeming millions in later days, had it not been for trade and industry which helped to overcome all difficulties in this respect.

Some fifty years ago the total exports and imports of the world exceeded but little the figure of 12 billions of dollars, and just before the outbreak of the Great War the combined German export and import trade figures showed almost half this amount. This enormous increase was mainly due to assiduous labor, adaptability and the enterprising spirit of

the German merchants at home and abroad. Their success helped to prepare and regulate the expansion of our industry, navigation, agriculture, finance and science. Thus there was a continual reciprocity and a steady interchange on all fields of economical life, fostering both the material as well as the intellectual concerns and well-being of the German nation.

The war brought the powerful machinery of our commerce to a sudden stop. Oversea trade was almost a thing of the past, as soon as hostilities commenced. Germany was nearly blocked from all sides and could do only very little trade still with Holland and Scandinavia. Free competition based on inquiries and offers no longer existed. In order to keep things going, the German government had to centralize trade by establishing trading organizations under supervision of the state. These organizations with all the obnoxious orders regulating trade henceforth lasted throughout the war, and even now there are still a number of these war organizations in existence which are to be gradually abolished.

On account of the war and the subsequent peace treaty of Versailles our commerce has lost its means of subsistence to a great extent. We have been deprived of Alsace-Lorraine, her nitrates, ore fields and agricultural produce; we have lost the Saar coal fields and stand in fear of losing also those of Upper Silesia; besides, large territories of Poland, Western Prussia and Schleswig have been separated from us which had served us princi-

pally as the supporting base of our own food supplies. Almost the whole of our shipping has been taken from us and all the various trading establishments in countries hitherto hostile and all other commercial assets connected therewith for the greater part have been liquidated and "pocketed" by those who were at war with us. We have lost all our colonies, which were just beginning to make a very fair showing, and were giving rise to the expectation of rapid development. Besides, there are a great many other measures imposed upon us which are apt to "scuttle" us fully. That is the situation in which we find ourselves at the present moment.

"To be or not to be, that is the question." We can only hope to get out of this entanglement through continuous labor and financial assistance from outside, coupled with a revision of those paragraphs of the peace treaty which prove to be beyond the limits of possibility and expediency. Reason and common sense ought to regulate the reconstruction, not only of Germany but of the whole continent of Europe; and, taking a broad view, our old continent can be rebuilt only through concerted action of the whole world. As far as Germany is concerned we are ready for work, and those who are going to lend us a helping hand will in the long run certainly not have to repent it. For, although we have lost a great many things through the war, we are still left in possession of those characteristic qualities which helped us forward in our commercial and industrial life in by-gone days. Therefore, we entertain every hope to pull through again slowly but surely.

We do not wish to beg for alms, but we do want to submit sound business propositions. A beginning has been made in the shipping line where certain arrangements have been closed with

large concerns in the United States which can be made to work well for both contracting parties. Our industry wants credits on terms warranting their security. Proposals to this effect are forthcoming and just in this direction liberal assistance is sure to work wonders. If the millions of industrial laborers who are at present partly or entirely out of work will again be able to gain their daily bread on a decent scale, quietness and contentedness will be restored. Hunger and enforced idleness are the root of all evil and can be overcome only through labor and the possibility of getting work. Work and work alone can wean the masses from the bolshevistic ideas with which they are at present infected and lead them back to a sense of duty. The moral sense, which has been obliterated during long years of war and still more through the revolution, must be inculcated afresh; this can be done best by work, supported by a sufficiency of food. Then we may hope that our workmen will relinquish communism, which only tends to destruction and would lead to a state of chaos, a happy hunting-ground for the darker elements of society. Only then can Germany form a protecting rampart against the murderous and incendiary hordes from the East, when the workman again owns something which he fears to lose.

Now, as to the exports and imports especially with regard to the United States, what can be done to put things on a sound basis?

Which are the greatest needs required by Germany, before it can fulfill all the financial obligations with which it is burdened already and which will still arise?

The German nation must be satisfied with the barest necessities; the desire for luxuries must be brought down to

the very lowest level. The last years of the war have been a hard school, but they have prepared Germany to renounce everything not strictly necessary. It is no proof to the contrary, that when the western frontier was thrown wide open, immense quantities of chocolate, soap, etc., streamed into this country. Would any country have resisted such temptation after having been blocked up during five years? A temptation encouraged by those who ought to have prevented, in their own future interest, the squandering of the remnants of national wealth!

The United States of America stretched out a helping hand to the sick and famished and last, but not least, to the underfed children in this country. The American people could also help by sending the raw materials our textile industry requires, all these goods to remain the property of those who send them. These goods would be returned after having passed through all the stages of manufacturing and after they have received that high degree of finish in which many German goods used to excel.

An immense system of barter ought to be introduced into the intercourse of the two countries.

Besides the above-mentioned raw materials we want grain and cattle food, which in 1913 formed an item in our imports from the United States of not less than 400 million marks. We must not forget that the cause of most of the disturbances in our country is hunger. It is a question of insufficient food. As soon as our workmen get sufficient nourishing food, they will, if they are left undisturbed by "Russian culture," return to their work.

We want copper, lead and nickel,

the import figure of which from the United States rose to more than 300 millions in 1913. We are sadly in need of petroleum, turpentine and benzine (in 1913, 120 millions), of skins and hides (value of import from U.S.A. in 1913, 73 millions). There are many other articles we shall have to import.

What can we offer in return? The great bulk of textile goods must be left out of calculation at present. Prices here have risen beyond those quoted on the international market. We shall have to look for other articles, until wages are at a lower level, which we hope will be the case, if the present downward movement of a great many articles should continue.

Your country will have to be paid in kali (potash and chlorate of potash), exportation of which to the United States amounted to over 70 million marks in 1913 and the enormous height of present-day prices must not be overlooked, in dyeing materials (aniline colors), toys, fancy articles of leather, trinkets, drugs, cutlery, surgical and optical instruments. For all these articles taken together the United States paid to Germany in 1913 some 90 million marks. And the day will come when we shall be able to resume the export of hardware, tools and machines.

The manufacture of textile goods gives occupation to not less than 3 million people in Germany. These millions and those that employ them are ready to go to work. They will be satisfied to receive their wages and a share of profit and will be grateful to those that lend them a helping hand; an item of predominant importance with a people which on the whole cannot be called ungrateful.

What we want is credit, food and time.